between Hindustan Fertilizer Corporation Ltd. (HFC) and Hind Lever Chemicals Ltd. (HLCL) for utilizing the Ammonia storage facility of Haldia unit of HFC is valid upto 31.12.2002. However, HLCL has requested HFC to continue this arrangement till 31.12.2003.

(c) There is no proposal to defer the offer of Voluntary Separation Scheme in the Haldia unit of HFC.

Recommendations of GoM on Subsidy

†3154. SHRI KAPIL SIBAL:
SHRI RAM JETHMALANI:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that a Committee of Ministers, under the Chairmanship of Deputy Chairman of the Planning Commission, had been constituted to give suggestions on fertilizer industry;

(b) if so, the names of other Ministers/members in this Committee;

(c) whether it is also a fact that the said Committee has recommended in its report to withdraw subsidy from fertilizers; and

(d) if so, by when the subsidy has been recommended to be withdrawn?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) to (d) The Government had constituted a Group of Ministers (GoM) on 8th March, 2002 consisting of Deputy Chairman, Planning Commission, Minister of Chemicals & Fertilizers, Minister of Shipping, Minister of Commerce and Industry, Minister of Disinvestment, Minister of Agriculture and Minister of Finance. The name of Finance Minister was deleted from GoM on 24.9.2002. The GoM was constituted to examine the proposal for formulation of 7th and 8th pricing periods and to consider the Expenditure Reforms Commission (ERC)'s report on rationalizing fertilizer subsidies and give its recommendations.

The policy parameters for 7th and 8th pricing periods were approved by the competent authority on 16.5.2002, which were communicated to all urea units on 4.6.2002. The GoM has, in its meeting held on 9.10.2002,

†Original notice of the question was received in Hindi.

finalized its recommendations on ERC report. Formulation of new pricing policy for urea units based on GoM's recommendations for replacing the existing Retention Price Scheme is under consideration of the Government. The proposed policy will be in the shape of Group Concession Scheme and is proposed to be introduced w.e.f. 1.4.2003. The new policy will aim at greater transparency, uniformity and efficiency in subsidy disbursements to urea units and will induce urea manufacturers to take cost reduction measures on their own and be competitive.

Closure of Barauni and Durgapur Fertilizer units

3155. MISS MABEL REBELLO:
SHRI B.J. PANDA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is proposed to close down fertilizer units at Durgapur and Barauni; if so, the reasons for their closure;

(b) how the staff of both these units would be adjusted, after the closure; and

(c) how much would VRS cost to the exchequer?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI TAPAN SIKDAR): (a) Yes, Sir, the Government have decided to close down Hindustan Fertilizer Corporation Ltd. including Durgapur and Barauni units as the same have not been found techno-economically viable.

(b) and (c) The employees of the Durgapur and Barauni units have been offered benefits under the Voluntary Separation Scheme, costing about Rs. 135 crore.

Production of Bio-Fertilizers

†3156. SHRI JANESHWAR MISHRA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that now-a-days emphasis is on bio-fertilizers all over the world;

†Original notice of the question was received in Hindi.